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FILED IN THE  
UNITED STATES DISTRICT COURT  
DISTRICT OF HAWAII

JAN 13 2006  
at 3 o'clock and 36 min M  
SUE BEITIA, CLERK

Attorneys for Plaintiff

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAII

PARADISE CRUISE LIMITED,

Plaintiff,

vs.

MICHAEL ELSE AND COMPANY  
LTD.; GREAT LAKES

REINSURANCE (UK) PLC, dba  
TRANSMARINE; LLOYD'S OF  
LONDON; LLOYD'S

UNDERWRITERS; ACORDIA  
NORTHWEST, INC.; AON RISK  
SERVICES, INC. OF OHIO,

Defendants.

) CIVIL NO. CV04-00364 ACK/BMK

)

) PLAINTIFF PARADISE CRUISE

) LIMITED'S REPLY

) MEMORANDUM IN SUPPORT OF

) PARADISE CRUISE LIMITED'S

) PETITION FOR DETERMINATION

) OF GOOD FAITH SETTLEMENT;

) DECLARATION OF ELISE OWENS

) THORN; EXHIBIT "A";

) CERTIFICATE OF SERVICE

)

) HEARING:

) Date: January 26, 2006

) Time: 9:30 a.m.

) Judge: Hon. Barry M. Kurren

PLAINTIFF PARADISE CRUISE LIMITED'S  
REPLY MEMORANDUM IN SUPPORT OF PARADISE CRUISE LIMITED'S  
PETITION FOR DETERMINATION OF GOOD FAITH SETTLEMENT

The two non-settling defendants have opposed plaintiff's petition, on different grounds. Neither defendant has provided a sufficient basis for this court to deny plaintiff's petition.

Acordia's Opposition

Defendant Acordia Northwest, Inc. ("Acordia") opposes the petition on the basis that it does not know the terms of the settlement and that the settlement is filed under seal. Acordia was provided a copy of the settlement agreement with the petition for approval of the settlement agreement. Acordia does have the terms of the settlement. The settlement agreement does not require Acordia to only review the settlement agreement at the court house as it contends. It does, however, prevent the agreement from being filed openly, as a public record.

Aon's Opposition

Defendant Aon Risk Services, Inc. of Ohio ("Aon") opposes the petition for determination of good faith settlement on the grounds that the amount of the settlement is dramatically less than the amount originally claimed as losses by plaintiff in its original demand on the policy (Exhibit A to Aon's opposition) and Aon does not have sufficient facts by which to evaluate the settlement.

Aon, along with Acordia was invited to participate in the mediation held in Honolulu between Watkins and Plaintiff. Aon and Acordia both refused to participate in the mediation. Aon knows the amount of the settlement and the amount recoverable by Plaintiff under the insurance policy at issue here. The figures reported by Aon in its opposition are misleading. The \$2.4 million figure cited by Aon, as the demand of plaintiff actually, reflects the total losses reported by plaintiff to its carrier, not the amount recoverable under the policy, which is \$975,285. Aon received the policy and other documents concerning plaintiff's claim under the policy, through Acordia's initial disclosures. Aon received a copy of the settlement demand plaintiff made to all three defendants for the policy limits of \$975,285 in April, 2005. See Exhibit A hereto. Aon is clearly in possession of sufficient facts to appropriately evaluate the legitimacy of the petition. Those facts do not support any finding that the settlement was the product of collusion or anything other than a good faith attempt to resolve the claims short of incurring the costs of additional discovery and conducting an arbitration or trial in London, England.

Plaintiff, Paradise Cruise Limited respectfully requests that this Court grant its petition.

DATED: Honolulu, Hawaii, January 13, 2006.

A handwritten signature in cursive script, reading "Elise O. Thorn", written in black ink.

ROBERT E. CHAPMAN

JOHN R. MYRDAL

ELISE OWENS THORN

Attorneys for Plaintiff

PARADISE CRUISE LIMITED

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF HAWAII

PARADISE CRUISE LIMITED,	)	CIVIL NO. CV04-00364 ACK/BMK
	)	
Plaintiff,	)	CERTIFICATE OF SERVICE
	)	
vs.	)	
	)	
MICHAEL ELSE AND COMPANY	)	
LTD.; GREAT LAKES	)	
REINSURANCE (UK) PLC, dba	)	
TRANSMARINE; LLOYD'S OF	)	
LONDON; LLOYD'S	)	
UNDERWRITERS; ACORDIA	)	
NORTHWEST, INC.; AON RISK	)	
SERVICES, INC. OF OHIO,	)	
	)	
Defendants.	)	
_____	)	

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date a copy of the foregoing was duly served upon the following parties in the manner described at their following last known addresses:

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DATED: Honolulu, Hawaii, January 13, 2006.



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PARADISE CRUISE LIMITED